

84TH CONGRESS }  
2d Session }

HOUSE OF REPRESENTATIVES

REPORT  
No. 2726

SIMPLIFYING ACCOUNTING PROCEDURES AND FACILI-  
TATING PAYMENT OF GOVERNMENT OBLIGATIONS

JULY 16, 1956.—Ordered to be printed

MR. DAWSON of Illinois, from the committee of conference, submitted  
the following

CONFERENCE REPORT

[To accompany H. R. 9593]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9593) to simplify accounting, facilitate the payment of obligations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That (a) the account for each appropriation available for obligation for a definite period of time shall be closed as follows:*

(1) *On June 30 of the second full fiscal year following the fiscal year or years for which the appropriation is available for obligation, the obligated balance shall be transferred to an appropriation account of the agency or subdivision thereof responsible for the liquidation of the obligations, in which account shall be merged the amounts so transferred from all appropriation accounts for the same general purposes; and*

(2) *Upon the expiration of the period of availability for obligation, the unobligated balance shall be withdrawn and, if the appropriation was derived in whole or in part from the general fund, shall revert to such fund, but if the appropriation was derived solely from a special or trust fund, shall revert, unless otherwise provided by law, to the fund from which derived: Provided, That when it is determined necessary by the head of the agency concerned that a portion of the unobligated balance withdrawn is required to liquidate obligations and effect adjustments, such portion of the unobligated balance may be restored to the appropriate accounts: Provided further, That prior thereto the head of the agency concerned shall make*

such report with respect to each such restoration as the Director of the Bureau of the Budget may require, and shall submit such report to the Director, the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate.

(b) The withdrawals required by subsection (a) (2) of this section shall be made—

(1) not later than September 30 of the fiscal year immediately following the fiscal year in which the period of availability for obligation expires, in the case of an appropriation available both for obligation and disbursement on or after the date of approval of this Act; or

(2) not later than September 30 of the fiscal year immediately following the fiscal year in which this Act is approved, in the case of an appropriation, which, on the date of approval of this Act, is available only for disbursement.

(c) For the purposes of this Act, the obligated balance of an appropriation account as of the close of the fiscal year shall be the amount of unliquidated obligations applicable to such appropriation less the amount collectible as repayments to the appropriation; the unobligated balance shall represent the difference between the obligated balance reported pursuant to section 1311 (b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U. S. C. 200 (b)), and the total unexpended balance. Collections authorized to be credited to an appropriation but not received until after the transfer of the obligated appropriation balance as required by subsection (a) (1) of this Act, shall, unless otherwise authorized by law, be credited to the account into which the obligated balance has been transferred, except that any collection made by the General Accounting Office for other Government agencies may be deposited into the Treasury as miscellaneous receipts.

(d) The withdrawals made pursuant to subsection (a) (2) of this section shall be accounted for and reported as of the fiscal year in which the appropriations concerned expire for obligation. The withdrawals described in subsection (b) (2) of this section shall be accounted for and reported as of the fiscal year in which this Act is approved.

SEC. 2. Each appropriation account established pursuant to this Act shall be accounted for as one fund and shall be available without fiscal year limitation for payment of obligations chargeable against any of the appropriations from which such account was derived. Subject to regulations to be prescribed by the Comptroller General of the United States, payment of such obligations may be made without prior action by the General Accounting Office, but nothing contained in this Act shall be construed to relieve the Comptroller General of the United States of his duty to render decisions upon requests made pursuant to law or to abridge the existing authority of the General Accounting Office to settle and adjust claims, demands, and accounts.

SEC. 3. (a) Appropriation accounts established pursuant to this Act shall be reviewed periodically, but at least once each fiscal year, by each agency concerned. If the undisbursed balance in any account exceeds the obligated balance pertaining thereto, the amount of the excess shall be withdrawn in the manner provided by section 1 (a) (2) of this Act; but if the obligated balance exceeds the undisbursed balance, the amount of the excess, not to exceed the remaining unobligated balances of the appropriations available for the same general purposes, may be restored to such account. A review shall be made as of the close of each fiscal year and the restorations or withdrawals required or authorized by this section accomplished not later than September 30 of the following fiscal year, but

*the transactions shall be accounted for and reported as of the close of the fiscal year to which such review pertains. A review made as of any other date for which restorations or withdrawals are accomplished after September 30 in any fiscal year shall be accounted for and reported as transactions of the fiscal year in which accomplished: Provided, That prior to any restoration under this subsection the head of the agency concerned shall make such report with respect thereto as the Director of the Bureau of the Budget may require.*

*(b) In connection with his audit responsibilities, the Comptroller General of the United States shall report to the head of the agency concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, respecting operations under this Act, including an appraisal of the unliquidated obligations under the appropriation accounts established by this Act. Within thirty days after receipt of such report, the agency concerned shall accomplish any actions required by subsection (a) of this section which such report shows to be necessary.*

*SEC. 4. During the fiscal year in which this Act becomes effective, and under rules and regulations to be prescribed by the Comptroller General of the United States, the obligated balance of the appropriation account for payment of certified claims established pursuant to section 2 of the Act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), shall be transferred to the related appropriation accounts established pursuant to this Act and the unobligated balance shall be withdrawn.*

*SEC. 5. The obligated balances of appropriations made available for obligation for definite periods of time under discontinued appropriation heads may, upon the expiration of the second full fiscal year following the fiscal year or years for which such appropriations are available for obligation, be merged in the appropriation accounts provided for by section 1 hereof, or in one or more other accounts to be established pursuant to this Act for discontinued appropriations of the agency or subdivision thereof currently responsible for the liquidation of the obligations.*

*SEC. 6. The unobligated balances of appropriations which are not limited to a definite period of time shall be withdrawn in the manner provided in section 1 (a) (2) of this Act whenever the head of the agency concerned shall determine that the purposes for which the appropriation was made has been fulfilled; or in any event, whenever disbursements have not been made against the appropriation for two full consecutive fiscal years: Provided, That amounts of appropriations not limited to a definite period of time which are withdrawn pursuant to this section or were heretofore withdrawn from the appropriation account by administrative action may be restored to the applicable appropriation account for the payment of obligations and for the settlement of accounts.*

*SEC. 7. The following provisions of law are hereby repealed:*

*(a) The proviso under the heading "PAYMENT OF CERTIFIED CLAIMS" in the Act of April 25, 1945 (59 Stat. 90; 31 U. S. C. 690);*

*(b) Section 2 of the Act of July 6, 1949 (63 Stat. 407; 31 U. S. C. 712b), but the repeal of this section shall not be effective until June 30, 1957;*

*(c) The paragraph under the heading "PAYMENT OF CERTIFIED CLAIMS" in the Act of June 30, 1949 (63 Stat. 358; 31 U. S. C. 712c);*

*(d) Section 5 of the Act of March 3, 1875 (18 Stat. 418; 31 U. S. C. 713a); and*

*(e) Section 3691 of the Revised Statutes, as amended (31 U. S. C. 715).*

*(f) Any provisions (except those contained in appropriation Acts*

*for the fiscal years 1956 and 1957) permitting an appropriation which is limited for obligation to a definite period of time to remain available for expenditure for more than the two succeeding full fiscal years, but this subsection shall not be effective until June 30, 1957.*

*Sec. 8. The provisions of this Act shall not apply to the appropriations for the District of Columbia or appropriations to be disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.*

*Sec. 9. The inclusion in appropriation Acts of provisions excepting any appropriation or appropriations from the operation of the provisions of this Act and fixing the period for which such appropriation or appropriations shall remain available for expenditure is hereby authorized.*

*And the Senate agree to the same.*

WILLIAM L. DAWSON,  
ROBT. E. JONES,  
JOE M. KILGORE,  
CLARENCE J. BROWN,  
CHARLES R. JONAS,

*Managers on the Part of the House.*

JOHN KENNEDY,  
THOMAS F. WOFFORD,  
NORRIS COTTON,

*Managers on the Part of the Senate.*

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9593) to simplify accounting, facilitate the payment of obligations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The conference substitute is the same as the bill as it passed the House, except in two minor respects. The House report contained a provision that the head of the agency shall make a report with respect to restorations as the Director of the Budget may require. The corresponding provision of the Senate amendment required that such report be made to the chairmen of the Committees on Appropriations of the Senate and the House of Representatives and to the Comptroller General of the United States, and to the Director of the Bureau of the Budget. The conference substitute provides that such report be submitted to the Director of the Budget, the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate.

The House bill postponed the transfer of the obligated balances during the fiscal year following the fiscal year in which this act becomes effective. The conference substitute provides that such transfer shall be made during the fiscal year in which the act becomes effective.

WILLIAM L. DAWSON,  
ROBT. E. JONES,  
JOE M. KILGORE,  
CLARENCE J. BROWN,  
CHARLES R. JONAS,

*Managers on the Part of the House.*